

## Message Text

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61

ORIGIN EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-11 L-03 ACDA-19

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DRAFTED BY TEXT RECEIVED FROM WHITE HOUSE; EUR/RPM:KAKURZE

APPROVED BY EUR:JGLOWENSTEIN

EUR/RPM:EJSTREATOR

S/S:MR. MOFFAT

NSC:SHADLEY

EUR/RPM:LTC RTHOMPSON

----- 021949

R 221443Z AUG 74

FM SECSTATE WASHDC

TO ALL NATO CAPITALS

INFO USNMR SHAPE

USCINCEUR

USLOSACLANT

CINCLANT

USDEL MC

UNCLAS STATE 184131

E.O. 11652:N/A

TAGS: MCAP, NATO

SUBJECT: JACKSON-NUNN AMENDMENT ON OFFSETS

ON AUGUST 20 THE PRESIDENT SUBMITTED A REPORT TO THE  
CONGRESS ON IMPLEMENTATION OF THE JACKSON-NUNN AMENDMENT  
ON OFFSETS. TEXT FOLLOWS.

BEGIN TEXT

TO THE CONGRESS OF THE UNITED STATES:

IN ACCORDANCE WITH SECTION 812(D) OF THE DEPARTMENT OF  
DEFENSE APPROPRIATION AUTHORIZATION ACT, 1974 (PUBLIC LAW  
93-155), I AM PLEASED TO SUBMIT A REPORT TO CONGRESS ON  
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OUR PROGRESS TOWARD OFFSETTING THE BALANCE OF PAYMENTS

DEFICIT RESULTING FROM THE DEPLOYMENT OF U.S. FORCES IN  
NATO EUROPE.

PRESIDENT NIXON REPORTED TO THE CONGRESS ON MAY 16, 1974  
THAT THE OFFSET AGREEMENT CONCLUDED IN APRIL 1974 WITH THE  
FEDERAL REPUBLIC OF GERMANY HAD A DOLLAR VALUE OF APPROXI-  
MATELY 2.22 BILLION DOLLARS OVER FISCAL YEARS 1974 AND  
1975. OF THAT AMOUNT, THE FISCAL YEAR 1974 PORTION WILL  
TOTAL APPROXIMATELY 1.1 BILLION DOLLARS AND WILL BE DIRECT-  
LY APPLICABLE TOWARD MEETING THE REQUIREMENTS OF SECTION  
812.

SINCE PRESIDENT NIXON'S LAST REPORT, THE NATO ECONOMIC  
DIRECTORATE HAS CONCLUDED A STUDY SHOWING THE PAYMENTS  
FOR MILITARY-RELATED ITEMS FROM THE UNITED STATES BY  
ALLIES OTHER THAN THE FEDERAL REPUBLIC OF GERMANY SHOULD  
AMOUNT TO APPROXIMATELY 1 BILLION DOLLARS. WHEN THAT  
AMOUNT IS ADDED TO THE FISCAL YEAR 1974 PORTION OF THE  
OFFSET AGREEMENT WITH GERMANY, IT BECOMES CLEAR THAT THE  
UNITED STATES SHOULD BE ABLE TO OFFSET THE 2.1 BILLION  
DOLLARS MILITARY FOREIGN EXCHANGE EXPENDITURES RESULTING  
FROM THE DEPLOYMENT OF OUR FORCES IN NATO EUROPE  
DURING FISCAL YEAR 1974. ACCORDINGLY, I CAN REPORT TO  
THE CONGRESS THAT THE REQUIREMENTS OF SECTION 812 SHOULD  
BE MET.

END TEXT.

KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY BUDGET, US CONGRESSIONAL PRESENTATIONS, OFFSET PAYMENTS, BALANCE OF PAYMENTS  
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**TAGS:** MCAP, GE, US, NATO  
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